CANADA-NOVA SCOTIA
Crop Insurance

ANNUAL REPORT

1983-1984

THE
NOVA SCOTIA
CROP & LIVESTOCK
INSURANCE COMMISSION

Agriculture
Canada

Province of
Nova Scotia

Nova Scotia

Department of
Agriculture
and Marketing

Office of the Minister

PO Box 190
Halifax, Nova Scotia
B3J 2M4

6 SEPTEMBER 1984

His Honour
The Honourable Alan R. Abraham, C.D.
Lieutenant Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Fifteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1984.

I am, Your Honour,

Yours very truly,

Roger S. Bacon

/jlk

enc.

CANADA-NOVA SCOTIA
Crop Insurance

Nova Scotia
Crop and Livestock
Insurance Commission

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To The Honourable Roger Bacon
Minister of Agriculture & Marketing
P.O. Box 190
Halifax, Nova Scotia
B3J 2M4

Sir:

Presented herewith is the Fifteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1984.

Respectfully submitted,

P.A. VanOostrum
Chairman

D.G. MacNeil
Manager

DGM/kb

Agriculture Canada

Province of Nova Scotia

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FINANCIAL PARTICIPATION:

1. **ADMINISTRATION:**

The Government of Nova Scotia contributes all of the administration costs totalling approximately $220,000., and the reinsurance premium amounting to $32,015 for the 1983-84 fiscal year.

2. **PREMIUM:**

The Government of Canada provides financial assistance to the Canada-Nova Scotia Crop Insurance Program by contributing fifty percent of the total premium required each year. The Federal Government's contribution to this Province's Crop Insurance Program will total approximately $220,000 for 1983-84.

OBJECTIVES AND RESPONSIBILITIES:

1. To make available to Nova Scotia farmers, a Crop and Livestock Insurance Program that will be of benefit in times of low crop yields or in the event of livestock losses, thus providing a stabilizing effect for the farmer and the Agricultural community in general.

2. The administration of the Crop and Livestock Insurance program is the responsibility of the Commission under the authority of the Minister of Agriculture and Marketing for the Province of Nova Scotia. It is subject to the provisions of the Nova Scotia Crop and Livestock Insurance Act, and the Crop Insurance Agreement between the Governments of Nova Scotia and Canada.

3. The administration of Crop and Livestock Insurance plans in Nova Scotia, established by regulations including the functions of sales, promotion, underwriting, field inspection, adjusting and payment of claims and accounting.

SUMMARY: 1983 YEAR:

The early part of the winter was relatively mild with no significant snow fall until February. During April, temperatures were above normal, very conducive for grass growth and bud formation, however the intermittent rain prevented crops from being planted in any sizeable acreage. There was no winter kill reported in Apples, Blueberries or Strawberries, however there were a small number of re-seeding claims under the Winter Grain and Forage Insurance Plans.

A heavy frost occurred during the nights of May 16th and 17th., which proved to be serious to Apple growers later on in the season as russeting was prevalent in many orchards. Rain during the latter part of May and early June prevented the seeding of Cereal crops and Corn, consequently the seeding dates were extended to June 12th.

As the summer progressed, dry weather prevaled causing problems with Peas and Beans for processing. The Pea yields were below average, while Beans were experiencing the largest yield to date, which in itself was causing problems, slowing down harvesting equipment, due to high humidity disease became serious and approximately 500 acres were not harvested due to disease and over maturity. It became evident in mid-summer that russeting in apples was a serious problem, all insured fresh varieties of apples were graded in the orchard in early fall determining the percentage of apples down-graded from the fresh grade to juice grade, which was used after completion of harvest to settle the payment of claims. The first fall frost occurred on September 10th. The fall was exceptionally mild and dry, late seeded Grain was still being harvested during the last two weeks in October. On November 6th., a temperature of 18° C was recorded. A considerable amount of time was spent in the fall finalizing claims, especially under the Tree Fruit, Pea and Bean Insurance Plans. During December a Tree Protection Rider was added to the Tree Fruit Plan, thus providing protection to Apple and Pear trees against wind, winter injury, snow and ice damage, thirteen growers purchased this insurance, providing coverage to 110,000 trees.

INSURANCE PLANS IN FORCE:

1. Spring Grain - Oats, Barley, Wheat and Mixed Grain
2. Winter Grain - Rye, Wheat
3. Tree Fruit - Apples, Pears
4. Tobacco
5. Corn - Silage, Grain
6. Pea and Bean - Processing
7. Lowbush Blueberries
8. Strawberries
9. Forage
10. Dairy

FEATURES OF THE CROP INSURANCE PLANS:

(1) Designated Perils:

Wind, frost, drought, excessive moisture, excessive rainfall, disease, insects, winter kill, flood, hail and wildlife - specific to certain Insurance Plans.

(2) Type of Insurance:

Each insured crop is guaranteed a certain yield based upon the past production records of each insured producers, when no past records are available, a bench mark will be assigned.

(3) Quality Guarantee:

Losses due to low quality may be taken into consideration for the following Insurance Plans: Tree Fruit, Tobacco, Peas and Beans.

(4) Premium Discount:

The discount in premium is designed to recognise differences in risk between location, management and is based upon frequency of claims and years of participation in the Crop Insurance Program by the insured. The following Insurance Plans have a premium discount system:

(a) Spring Grain
(b) Corn
(c) Lowbush Blueberries
(d) Tree Fruit
(e) Tobacco
(f) Strawberries

CROP INSURANCE PLANS SUMMARY (April 1, 1983 - March 31, 1984)

PLAN NAME	NUMBER CONTRACTS	NUMBER INSUREDS	NUMBER ACRES INSURED	$ TOTAL COVERAGE	$ TOTAL PREMIUM	NUMBER CLAIMS	$ TOTAL INDEMNITY
Spring Grain	314	169	O- 2,371.21	$ 170,293.71	$ 15,154.96	12	$ 8,785.69
			B- 2,501.00	$ 243,322.83	$ 21,171.32	22	$ 16,427.73
			W- 145.01	$ 13,799.08	$ 1,534.48	2	$ 633.53
			M- 525.88	$ 44,767.70	$ 4,482.78	1	$ 488.16
			5,543.10	$ 472,183.32	$ 42,343.54	37	$ 26,335.11
Tree Fruit	76	75	A- 4,258.00	$ 2,411,500.39	$ 97,184.24	67	$ 222,127.89
			P- 134.50	$ 68,754.00	$ 2,920.82	2	$ 3,110.00
Tree Ins. Endor	13	13	T-110,392.00	$ 1,760,111.00	$ 7,040.40		$
				$ 4,240,365.39	$ 107,145.46	69	$ 225,237.89
Tobacco	13	13	664.20	$ 1,444,739.84	$ 48,447.20		$
Peas & Beans	39	33	P- 1,953.50	$ 624,643.31	$ 71,834.08	9	$ 69,186.02
			B- 2,057.30	$ 587,517.74	$ 67,564.26	15	$ 68,972.88
			4,010.80	$ 1,212,161.05	$ 139,398.34	24	$ 138,158.90
Forage 83/84	26	26	536.27	$ 21,673.50	$ 3,003.40	* 6	$ 3,054.50
Corn	87	56	2,283.78	$ 319,552.56	$ 29,264.78	11	$ 16,951.70
Blueberries	149	141	4,052.21	$ 706,021.81	$ 38,603.33	6	$ 2,888.78
Strawberries	22	22	116.45	$ 127,619.54	$ 10,590.22	4	$ 5,313.90
Winter Grain	36	36	W- 1,285.25	$ 181,248.10	$ 17,321.38	* 19	$ 25,863.62
			R- 384.41	$ 47,428.71	$ 5,095.22		
			1,669.66	$ 228,676.81	$ 22,416.60	* 19	$ 25,863.62
CROP SUMMARY	775	584	23,268.97	$ 8,772,993.82	$ 441,212.87	176	$ 443,804.40

* Claims Paid on Forage for the 1982/1983 crop year.

* Claims Paid on Winter Grain for the 1982/1983 crop year.

SUMMARY OF CROP INSURANCE PLANS

(1969 - 1983 CROP YEARS INCLUSIVE)

PLANS	# YEARS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO	# CLAIMS
Spring Grain	15	$ 351,090	$ 305,626	0.87	667
Corn	13	$ 412,904	$ 361,978	0.87	257
Tree Fruit	14	$ 617,737	$ 575,846	0.93	175
Winter Grain	14*	$ 159,114	$ 95,009	0.59	104
Tobacco	13	$ 313,026	$ 74,621	0.23	11
Strawberries	10	$ 75,801	$ 78,727	1.03	60
Lowbrush Blueberry	11	$ 252,637	$ 125,189	0.49	148
Peas & Beans	12	$ 1,054,625	$ 941,355	0.89	278
Forage	6**	$ 32,161	$ 27,868	0.86	79
TOTALS		$ 3,269,095	$ 2,586,219	$ 0.79	1,779

*
** Does not include summary of 1983 - 84 due to claims pending after March 31st.

OPERATIONS SUMMARY OF CROP INSURANCE YEARS

(1969 - 1983 Fiscal Years inclusive - April 1 - March 31)

CROP YEARS	NO. CONTRACTS	TOTAL COVERAGE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
1969-1970	309	$ 337,423.00	$ 17,700.00	$ 11,449.00	0.64
1970-1971	346	$ 882,644.00	$ 31,937.00	$ 32,643.00	1.02
1971-1972	347	$ 766,303.00	$ 31,789.00	$ 61,022.00	1.91
1972-1973	392	$ 1,562,590.00	$ 79,343.00	$ 75,826.00	0.95
1973-1974	492	$ 1,747,875.00	$ 94,735.00	$ 246,874.00	2.60
1974-1975	560	$ 2,029,282.00	$ 164,811.00	$ 234,230.00	1.42
1975-1976	563	$ 2,285,874.00	$ 198,925.00	$ 168,151.00	0.84
1976-1977	601	$ 2,785,882.00	$ 224,369.00	$ 90,866.00	0.40
1977-1978	770	$ 3,453,011.00	$ 261,308.00	$ 252,676.00	0.96
1978-1979	781	$ 3,752,752.00	$ 287,315.00	$ 140,318.00	0.48
1979-1980	695	$ 4,007,142.00	$ 297,463.00	$ 302,169.00	1.01
1980-1981	666	$ 4,367,861.00	$ 312,813.00	$ 199,141.00	0.63
1981-1982	751	$ 5,851,383.00	$ 401,675.00	$ 222,576.00	0.55
1982-1983	760	$ 6,675,736.00	$ 449,121.00	$ 125,953.00	0.28
1983-1984	775	$ 8,772,994.00	$ 441,213.00	$ 443,804.00	1.00

Since the Crop Insurance Program was first made available to Nova Scotia Farmers in 1969, for every dollar collected in premium from the farmer and along with the Federal Government's contribution - $ .79 has been paid out in claims.

FEATURES OF THE LIVESTOCK INSURANCE PLAN:

The following are the diseases designated as insurable under the Dairy Livestock Insurance Plan:-

(1) Reportable (Brucellosis, tuberculosis, blue-tongue, foot and mouth, mange, vesicular stomatitis) or such other diseases designated as reportable.
(2) Acute Mastitis - optional
(3) Shipping Fever - pneumonia type
(4) Infectious Bovine Rhinotracheitis (respiratory form) I.B.R.

COVERAGE & COSTS:

VALUE/HERD	COST/ANIMAL	VALUE/HERD	COST/ANIMAL
$ 200.00	$ .40	$ 1,000.00	$2.00 ($10.00)
$ 400.00	$ .80	$ 1,200.00	$2.40 ($12.00)
$ 600.00	$1.20 ($6.00)	$ 1,400.00	$2.80 ($14.00)
$ 800.00	$1.60 ($8.00)	$ 1,600.00	$3.20 ($16.00)

* figures in brackets indicate cost of including Acute Mastitis option.

LOSS OF INCOME BENEFIT -

COVERAGE & COSTS

The Loss of Income Benefit Option is only available to Dairy Insureds. This option is intended to compensate an insured when the monthly gross income from the sale of milk and/or cream is reduced below fifty percent (50%) of the average gross monthly income during the previous twelve (12) months as a result of one or more of the insurable diseases or fire. An insured can select the time period required such as 2,4,6, or 8 months.

INSURED AMOUNT	2 MONTH PERIOD COST/YEAR	INSURED AMOUNT	2 MONTH PERIOD COST/YEAR
$1,000.00	$ 6.00	$ 8,000.00	$48.00
$2,000.00	$12.00	$ 9,000.00	$54.00
$3,000.00	$18.00	$10,000.00	$60.00
$4,000.00	$24.00	$11,000.00	$66.00
$5,000.00	$30.00	$12,000.00	$72.00
$6,000.00	$36.00	$13,000.00	$78.00
$7,000.00	$42.00	$14,000.00	$84.00
		$15,000.00	$90.00

DAIRY INSURANCE PLAN SUMMARY (April 1, 1983 - March 31, 1984)

NO. INSUREDS	NO. INSURED ANIMALS	TOTAL COVERAGE	TOTAL PREMIUM	NO. CLAIM ANIMALS	TOTAL INDEMNITY
209	18,037	$18,189,200.	$43,820.	4	$3,400.

DAIRY INSURANCE PLAN SUMMARY (April 1, 1978 - March 31, 1984)

YEARS	NO. INSURED HERDS	NO. INSURED CATTLE	TOTAL PREMIUM	CLAIMS PAID
1978-1979	352	26,121	$ 59,198.14	$ 31,744.50
1979-1980	403	29,491	$ 86,731.88	$ 60,501.10
1980-1981	284	22,817	$ 77,919.61	$ 53,089.50
1981-1982	249	20,480	$ 53,326.15	$ 16,120.35
1982-1983	205	17,253	$ 42,423.00	$ 21,133.16
1983-1984	209	18,037	$ 43,820.40	$ 3,400.00
			$ 363,419.18	$185,988.61

DAIRY INSURANCE PLAN CLAIM SUMMARY (April 1/83 - March 31/84)

	INSURABLE DISEASE	NO. CLAIM ANIMALS	TOTAL CLAIMS PAID
1.	Acute Mastitis	2	$ 2,000.00
2.	Shipping Fever	1	$ 400.00
3.	I.B.R.	1	$ 1,000.00

CLAIM SUMMARY RE: DAIRY INSURANCE PLAN (April 1, 1978 - March 31, 1984)

DISEASE	NO. CLAIM ANIMALS	CLAIMS PAID
1. Acute Mastitis	103	$ 102,132.85
2. Shipping Fever	43	$ 66,953.56
3. I.B.R.	17	$ 15,191.50
4. Brucellosis	2	$ 810.70

Since the Dairy Livestock Insurance Plan was first made available in 1978, for every dollar in premium from Dairy Insureds, $ .51¢ has been paid out in claims.

ACKNOWLEDGEMENTS

The Nova Scotia Crop & Livestock Insurance Commission wishes to acknowledge its appreciation to the following:-

Agriculture Canada - Crop Insurance Division
N.S. Department of Agriculture & Marketing
Other Provincial Crop Insurance Agencies
The Commission's Field and Clerical Staff

Over the years, the Commission has received cooperation of farmers and commodity groups in Nova Scotia, and it wishes to recognize the assistance received at this time.

CONCLUSION

The 1983 crop year will be remembered as one that caused difficulties for some farmers, especially at seeding time, haying season, the problems with Peas and Beans, the russeting situation in many orchards. However the Lowbush Blueberry Growers and Bean Growers harvested the largest yields for many years.

The Commission was represented at the National Crop Insurance Conference in Winnipeg by the Chairman and the Manager. Mr. Reg Saunders, Field Representative for the Commission in the Annapolis Valley area attended the Annual Agents Meeting in Portage. The writer of this Annual Report attempted to comply with the guide-lines as specified in the Provincial Management Guide re: Annual Reports.

NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION

FIFTEENTH ANNUAL REPORT

Fiscal Year Ending March 31st., 1984

BOARD MEMBERS:

P. VanOostrum	-	Chairman - Canard, Kings Co.
J. Johnson	-	Vice-Chairman - Dept. Agriculture & Marketing
W. McCurdy	-	Member - Old Barns, Col., Co.
D. Dickinson	-	Member - Southampton, Cumb., Co.
L. Palmer	-	Member - Berwick, Kings Co.
W. Dykstra	-	Member - Scotsburn, Pictou Co.

PRINCIPAL OFFICERS:

D.G. MacNeil	-	Manager
Mrs. K.G. Bartlett	-	Secretary
Miss B.A. Pratt	-	Accounting Clerk
B.M. Mahoney	-	Field Representative
R. Saunders	-	Regional Field Representative

AUDITOR:

Auditor General - Province of Nova Scotia

SOLICITOR:

J.R.M. Akerman

FIELD STAFF:

Dr. F. Forsyth
K. Horton
C. Hansen
E. Meister

Nova Scotia

Auditor General

PO Box 793
Halifax, Nova Scotia
B3J 2V2

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Crop and Livestock
Insurance Commission and to the
Minister of Agriculture and Marketing

I have examined the balance sheet of the Nova Scotia Crop and Livestock Insurance Commission as at March 31, 1984, and the statement of revenues and expenses of the Commission and the statement of continuity of the Crop and Livestock Insurance Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O. P. Cormier

O.P. Cormier, F.C.A.
Deputy Auditor General

Halifax, Nova Scotia
August 20, 1984

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1984

ASSETS

	1984	1983
Current		
Cash	$ 24,643	$ 36,750
Short term investments	1,667,482	1,475,214
Accounts receivable - premiums	1,372	3,232
Accrued interest receivable	62,778	44,448
	$1,756,275	$1,559,644

LIABILITIES AND FUND

Current		
Unearned premiums	$ 36,079	$ 29,675
Insurees' deposits	1,462	4,586
Provision for payment of unsettled indemnities	3,731	5,553
	41,272	39,814
Long Term		
Advance from Province of Nova Scotia	230,000	230,000
Crop and Livestock Insurance Fund		
Crop insurance	1,328,207	1,171,188
Livestock insurance	156,796	118,642
	1,485,003	1,289,830
	$1,756,275	$1,559,644

APPROVED ON BEHALF OF THE COMMISSION

Chairman

Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF CONTINUITY
CROP AND LIVESTOCK INSURANCE FUND
FOR THE YEAR ENDED MARCH 31, 1984

	Crop Insurance	Livestock Insurance	Totals 1984	1983
Balance, beginning of year	$1,171,188	$118,642	$1,289,830	$ 750,356
Add: Net income	157,019	38,154	195,173	539,474
Balance, end of year	$1,328,207	$156,796	$1,485,003	$1,289,830

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1984

	Crop Insurance	Livestock Insurance	Totals 1984	Totals 1983
Revenues				
Insurance premiums (Schedule A)	$436,520	$42,550	$479,070	$500,900
Interest income	160,610	-	160,610	177,699
Miscellaneous	1,101	4	1,105	-
	598,231	42,554	640,785	678,599
Expenses				
Indemnity claims (Schedule A)	440,983	4,400	445,383	139,038
Administrative Expenses (Schedule B)	220,464	-	220,464	194,981
	661,447	4,400	665,847	334,019
Income (deficiency) before Government contribution	(63,216)	38,154	(25,062)	344,580
Contribution by the Province of Nova Scotia (Note 1)	220,235	-	220,235	194,894
Net income	$157,019	$38,154	$195,173	$539,474

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1984

1. **Accounting Policies**

Government Contributions

The Department of Agriculture and Marketing pays the administrative expenses of the Commission. This amount is shown as a contribution by the Province of Nova Scotia on the Statement of Revenues and Expenses.

Income and Expenses

Interest income and administrative expenses are attributed 100% to the crop insurance operations.

Fixed Assets

The costs of furniture and equipment purchases are expensed 100% in the year of acquisition.

2. **Crop Re-Insurance Fund**

The Province is party to an agreement with the Government of Canada, whereby, the Province makes advances to a fund administered by the Government of Canada called the Crop Re-Insurance Fund of Canada for Nova Scotia. The purpose of this Fund is to assist the Province of Nova Scotia when there is a requirement by the Province to make advances to the Commission for the payment of crop insurance indemities. The balance of the non-interest bearing advances on hand in this Fund belonging to the Province as at March 31, 1984 was $331,387. Transactions concerning this Fund are not recorded in the accounting records of the Commission.

SCHEDULE A

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
PREMIUM REVENUE AND INDEMNITY CLAIMS
FOR THE YEAR ENDED MARCH 31, 1984

	Premium Revenue				Indemnity Claims	
Crop Insurance	Farmer	Federal	1984	1983	1984	1983
Spring grain	$ 21,172	$ 21,172	$ 42,344	$ 52,272	$ 26,335	$ 7,327
Winter grain	11,208	11,208	22,416	33,114	24,665	9,076
Tree fruit	51,226	51,226	102,452	94,484	225,238	36,997
Tobacco	24,224	24,224	48,448	39,180	-	-
Corn	14,632	14,632	29,264	41,178	16,952	11,317
Peas & beans	69,699	69,699	139,398	145,162	138,159	47,564
Blueberries	19,302	19,302	38,604	28,614	2,889	1,182
Strawberries	5,295	5,295	10,590	9,274	5,314	1,326
Forage	1,502	1,502	3,004	5,842	1,431	3,116
	218,260	218,260	436,520	449,120	440,983	117,905
Livestock Insurance						
Dairy	42,550	-	42,550	51,780	4,400	21,133
Total	$260,810	$218,260	$479,070	$500,900	$445,383	$139,038

SCHEDULE B

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED MARCH 31, 1984

	1984	1983
Salaries and wages	$154,818	$141,731
Travel	27,762	19,187
Professional and special services	7,184	5,449
Supplies and services	14,898	16,379
Other	15,802	12,235
	$220,464	$194,981